



OFFICE OF THE COMPTROLLER  
CITY OF ST. LOUIS



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April 6, 2010

Helen D. Haskins, Court Administrator  
Civil Courts Building, Room 412  
10 N. Tucker Boulevard  
St. Louis, MO 63101

RE: Medical Supplies & Housekeeping Inventory (Project #2009-46)

Dear Ms. Haskins:

Enclosed is the Internal Audit special review of the Juvenile Detention Center (JDC), Medical Supplies and Housekeeping Inventory for the period July 1, 2008 through February 28, 2009. The audit objectives were to determine if the Juvenile Detention Center effectively and efficiently manages risks to ensure:

- Accomplishment of established objectives and goals
- Compliance with applicable laws, regulations, policies and procedures
- Safeguarding of assets
- Reliability and integrity of financial and operational information
- Economic and efficient use of resources

Fieldwork was completed on January 13, 2010. Management's responses to the observations and recommendations noted in the report were received on March 31, 2010, and have been incorporated in the report.

This review was made under authorization contained in Section 2, Article XV of the Charter, City of St. Louis, as revised, and has been conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing*, and at the request of JDC's management.

If you have any questions, please contact the Internal Audit Section (314) 622-4723.

Respectfully,

Dr. Kenneth M. Stone, CPA  
Internal Audit Executive

Enclosure

cc: Kathryn Herman, Assistant Court Administrator/Juvenile Officer  
Allen Irving, Superintendent, JDC  
Gerald W. Hayes, Assistant Superintendent, JDC  
Deborah L. Crescenzo, Business Office Manager, JDC



# CITY OF ST. LOUIS

**TWENTY-SECOND JUDICIAL CIRCUIT COURT**

**JUVENILE DIVISION - FAMILY COURT**

**MEDICAL SUPPLIES AND HOUSEKEEPING INVENTORY**

**SPECIAL REVIEW**

**JULY 1, 2008 THROUGH FEBRUARY 28, 2009**

**PROJECT #2009-46**

**DATE ISSUED: April 6, 2010**

**Prepared by:  
The Internal Audit Section**



## OFFICE OF THE COMPTROLLER

**HONORABLE DARLENE GREEN, COMPTROLLER**

**CITY OF ST. LOUIS  
TWENTY-SECOND JUDICIAL CIRCUIT COURT  
JUVENILE DIVISION - FAMILY COURT  
MEDICAL SUPPLIES AND HOUSEKEEPING INVENTORY  
SPECIAL REVIEW  
JULY 1, 2008 THROUGH FEBRUARY 28, 2009**

**EXECUTIVE SUMMARY**

**Purpose**

The Internal Audit Section (IAS) has completed a special review of the Juvenile Detention Center (JDC), Medical Supplies and Housekeeping Inventory. The purpose was to determine if the Juvenile Detention Center effectively and efficiently manages risks to ensure:

- Accomplishment of established objectives and goals
- Compliance with applicable laws, regulations, policies and procedures
- Safeguarding of assets
- Reliability and integrity of financial and operational information
- Economic and efficient use of resources

**Conclusion**

IAS noted some controls established by management over medications and the medical supply inventories. These included, but were not limited to, the following:

- Access to the medical unit is restricted to the medical staff, management and security
- Physical inventory of medications and medical supplies was recently performed
- Established standard for placing refills exists
- Some written procedures have recently been developed regarding the proper care and storage of medical supplies

However, the opportunity exists for JDC to improve the internal controls over operational activities pertaining to medical supplies and housekeeping inventory. The following are observations resulting from the review:

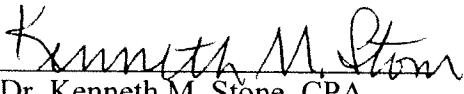
1. Opportunity to improve controls to safeguard medications and medical supplies
2. Opportunity to establish control procedures to safeguard household and housekeeping supplies
3. Opportunity to improve sanitation controls


**CITY OF ST. LOUIS  
TWENTY-SECOND JUDICIAL CIRCUIT COURT  
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JULY 1, 2008 THROUGH FEBRUARY 28, 2009**

**EXECUTIVE SUMMARY**

Each of these observations is discussed in more details in the *Detailed Observations, Recommendations and Management's Responses* section of this report.

This review was made under authorization contained in Section 2, Article XV of the Charter, City of St. Louis, as revised, and has been conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing*, and at the request of JDC's management.

  
Dr. Kenneth M. Stone, CPA  
Internal Audit Executive

  
Date

**CITY OF ST. LOUIS  
TWENTY-SECOND JUDICIAL CIRCUIT COURT  
JUVENILE DIVISION - FAMILY COURT  
MEDICAL SUPPLIES AND HOUSEKEEPING INVENTORY  
SPECIAL REVIEW  
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## **INTRODUCTION**

### **Background**

The mission of the Juvenile Division - Family Court is to administer justice with compassion, dignity and respect and in a manner that promotes child protection, safe communities, and juvenile competence through holding juvenile accountable, repairing harm to victims, and strengthening families.

The Juvenile Division of the Family Court is made up of the child protection, special service, legal, detention, administrative and judicial departments.

JDC operates seven days a week, 24 hours a day. The center is a secured facility where juveniles are detained by order of the Juvenile Court pending a hearing on delinquent matters. The purpose of holding a juvenile in detention is merely to safeguard the juvenile or other pending adjudication of the petition filed in the juvenile's interest. Residents range in age from 11-17 years, and they can be expected to remain for an average stay of 20 days.

### **Purpose**

The purpose was to determine if the JDC effectively and efficiently manages risks to ensure:

- Accomplishment of established objectives and goals
- Compliance with applicable laws, regulations, policies and procedures
- Safeguarding of assets
- Reliability and integrity of financial and operational information
- Economic and efficient use of resources

### **Scope and Methodology**

The review was confined to evaluating internal controls over JDC's operational and fiscal activities pertaining to medical supplies and housekeeping inventory. The audit procedures included inquiries of management and staff, observation of relevant processes, and reviews for compliance with policies and procedures, as well as applicable laws and regulations. Limited tests of controls, follow-ups on prior audit observations, and other procedures considered necessary were performed. Fieldwork was completed on January 13, 2010.

### **Exit Conference**

JDC declined an exit conference and provided management's responses to the observations and recommendations made in the report.

## **INTRODUCTION**

### **Management's Response**

Management's responses to the observations and recommendations noted in this report were received from the Juvenile Detention Center on March 31, 2010. The responses have been incorporated into this report.



## **OBSERVATIONS**

### **Status of Prior Observations**

There were no recent prior internal and external audits performed on the Medical Supplies and Housekeeping Inventory.

### **Summary of Current Observations**

IAS noted some controls established by management over medication and the medical supply inventories. These included, but were not limited to, the following:

- Access to the medical unit is restricted to the medical staff and management
- Physical inventory of medications and medical supplies was recently performed
- Established standard for placing refills exists
- Some written procedures have recently been developed regarding the proper care and storage of medical supplies

However, the opportunity exists for JDC to improve the internal controls over operational activities pertaining to medical supplies and housekeeping inventory. The following are observations resulting from the review:

1. Opportunity to improve controls to safeguard medications and medical supplies
2. Opportunity to establish control procedures to safeguard household and housekeeping supplies
3. Opportunity to improve sanitation controls

Each of these observations is discussed in more detail in the *Detailed Observations, Recommendations and Management's Responses* section of this report.

## **DETAILED OBSERVATIONS, RECOMMENDATIONS AND MANAGEMENT'S RESPONSES**

### **1. Opportunity To Improve Controls To Safeguard Medications And Medical Supplies**

Although JDC has security locks and has restricted access for most storage locations, improvements are needed to properly safeguard medications and medical supplies in the examination room. IAS observed that medications and medical supplies in the examination room were not stored in locked refrigerators and cabinets. In addition, medical syringes were placed on an open shelf in another storage area.

Standards set by the American Correctional Association (ACA) and National Commission on Correction Health Care (NCCHC) require maximum security storage and periodic inventory of all control substances, syringes, needles, and other items subject to abuse.

There were no written policies and procedures addressing the controls for safeguarding medications and medical supplies in accordance with the standards. During the field work, it was noted that DJC was in the process of addressing control procedures in accordance with the standards.

Failure to provide proper locks for the refrigerators and the metal cabinet could create opportunities for theft, abuse and depletion of medical supply inventory. Such abuse may result in additional expenses in excess of budget expenditures. In addition, it could also result in non-compliance with relevant professional standards pertaining to safety of controlled substances, syringes, needles and other items subject to abuse.

#### **Recommendation**

It is recommended that management continue to develop written policies and control procedures to ensure all medical supplies are adequately safeguarded. The procedures should include locked refrigerators and cabinets in the examination room. More importantly, the procedures should include maximum storages security as required by the ACA and NCCHC standards for controlled substances, syringes, needles and other items subject to abuse and periodic (weekly) inventories.

#### **Management's Responses**

- a. *Access to the Medical Unit is limited to Superintendent's Office, Security and Medical staff.*
- b. *When the Medical Unit is closed, all of the doors are locked including the Supervising Nurse's Office, the Medical Staff's Office, the Supply Room, the Examination Room and the Dentist's Office.*

## **DETAILED OBSERVATIONS, RECOMMENDATIONS AND MANAGEMENT'S RESPONSES**

### **1. Management's Responses Continued...**

- c. *The Registered Nurse has developed two Quarterly Inventory Forms for the Medical Unit 1) Medication Inventory Supplies which lists all of the different medicines, 2) the Medical Supplies Inventory Form which lists all of the medical supplies.*
- d. *Locks are on both refrigerators 1) one for medicines and 2) one for specimens.*
- e. *Locks are on the four medical cabinets to help protect from theft and abuse. The four cabinets are 1) one for medicines, 2) two for medical supplies (i.e. syringes, needles, etc.), and 3) one for the Examining Room supplies. Each cabinet has a list on the outside identifying what is stored inside.*
- f. *New policies, procedures and forms have been written in compliance with ACA and NCCHC to help ensure the medications (especially the controlled substances) and medical supplies are adequately safeguarded from theft, abuse and depletion of medical supply inventory. This process continues to be organized and developed.*

### **2. Opportunity To Establish Control Procedures To Safeguard Household And Housekeeping Supplies**

JDC has not established inventory control procedures to adequately safeguard household and housekeeping supplies. IAS found that:

- Periodic inventories were not performed
- Records or logs to document the receipt, issuance and inventory balances were not maintained
- The household supplies included an undetermined quantity of old and new tennis shoes which are no longer used

In accordance with the American Correctional Association (ACA) standards on fiscal management, written policy, procedures, and practice should govern the control of property and supplies. Current and complete inventory should be conducted and should include the location of property.

IAS was informed an inventory was never performed due to inadequate staffing. The unit does not have a full-time supervisor. However, JDC is in the process of developing written inventory control procedures, records, and does plan to conduct a physical inventory. JDC is also in the process of developing labels for the shelving units.

## **DETAILED OBSERVATIONS, RECOMMENDATIONS AND MANAGEMENT'S RESPONSES**

### **2. Continued...**

Failure to establish written inventory control procedures increase the risk of unauthorized issuance or removal of items from storage. The lack of written inventory control procedures could also results in excessive stocking of household and housekeeping supplies.

#### **Recommendation**

It is recommended that management establish and implement written inventory control procedures to safeguard supplies. The procedures should require:

- Physical inventory of personal household items and housekeeping be performed immediately and at least annually, thereafter. The physical inventory when performed should be documented
- Proper records of the receipts, issuance and inventory balances be maintained

In addition, the quantity of unused old and new tennis shoes should be determined, and management should consider approving the disposal of the items to charities or returning the tennis shoes to the vendor for credit

#### **Management's Responses**

- a. *The Inventory Room door is locked when Housekeeper staffs are not present.*
- b. *The Inventory Room has been reorganized to store similar supplies in the same area (i.e., all paper products, hygiene products, cleaning products, beddings, clothing, etc.). The Housekeeping staff are in the process of labeling the areas and shelves.*
- c. *An Inventory Control sheet has been developed which lists all of the supplies stored in the room by 1) category, 2) desired inventory amount, 3) inventory on hand, 4) removal date and initial of person, 5) order date, 6) received date, and 7) remaining balance.*
- d. *The first complete inventory using the new inventory form is scheduled to be completed by April 30, 2010.*

## **DETAILED OBSERVATIONS, RECOMMENDATIONS AND MANAGEMENT'S RESPONSES**

### **3. Opportunity to Improve Sanitation Controls**

The sanitary controls for storing household and housekeeping supplies need improvements. The following conditions were observed:

- New personal household items (uniforms, personal apparels, towels, socks and beddings) were displayed on the shelves and personal hygiene supplies were displayed on the desks in the storage area
- New and used house cleaning items (dust mobs and brooms) including unserviceable floor cleaning equipment were stored together
- Although the storage area was recently dusted, dusty particles were visible on the shelves and floor
- In the laundry room, washed clothing items (uniforms, personal apparels, towels, and socks) were placed on a table uncovered

Personal household and hygiene supplies procured for the use of youths and other house cleaning items should be kept in good and proper sanitary conditions.

Upon inquiry, IAS learned that some supplies were removed from the boxes upon delivery and placed on the shelves to facilitate identification and distribution of items. Sanitation or hygiene issues were not considered during this time.

Uncovered supplies increase the risks for exposure to dust, germs and other health concerns for the juveniles.

#### **Recommendation**

To ensure the health risks are minimized, it is recommended that management consider implementing the following sanitary controls:

- The personal household items on the shelves should be washed and stored in covered containers. In the future, these items should be left inside the boxes and arranged on the shelves with proper labeling
- All personal hygiene supplies be placed in the two up-right metal cabinets in the storage room

**DETAILED OBSERVATIONS, RECOMMENDATIONS  
AND MANAGEMENT'S RESPONSES**

**3. Continued...**

- New and used house cleaning items (dust mobs and brooms) should be properly separated and the unserviceable floor cleaning machine should be removed from the storage
- All washed clothing in the laundry room be placed in plastic container bags
- Periodic cleaning of the storage areas should be implemented

**Management's Responses**

- a. *All clothing that was exposed to the air has been washed and properly covered with plastic.*
- b. *All old or used supplies such as dust mops, brooms, etc. have been removed from the Inventory Room. Old tennis shoes and other supplies that are no longer used have been removed from the Inventory Room. An inventory is being taken of these old items to decide if they could be returned to vendors or disposed of through proper city procedures.*
- c. *Only new supplies are being stored in the Inventory Room.*
- d. *Plans are being developed to make similar improvements in the Laundry Room to remove the clothing from the tables and store them in plastic bags or containers.*
- e. *Supplies are now stored in their original boxes/containers and placed on palettes and shelves with labels.*
- f. *The Inventory Room has been thoroughly cleaned including the floor and is scheduled to be cleaned on bi-annual basis.*